SCHOOL BOARD ACTION REPORT

DATE: January 17, 2019
FROM: Denise Juneau, Superintendent
LEAD STAFF: John Krull, Chief Information Officer, jckrull@seattleschools.org
                 Jim Young, IT Manager Infrastructure Operations,
                 jyoung@seattleschools.org
                 April Mardock, Information Security Manager,
                 armardock@seattleschools.org

For Introduction: February 27, 2019
For Action: March 13, 2019

1.   TITLE

BTA IV: Approve purchase of Fortinet network firewall equipment, software, and five-year support with Xiologix, LLC in the amount $1,718,555.55.

2.   PURPOSE

The purpose of this Board action is for the review and approval for a network firewall replacement with Xiologix, LLC for Fortinet network firewall equipment, software, and support.

3.   RECOMMENDED MOTION

I move that the School Board authorize the Superintendent to execute a purchase order through RFP No. 02849 ~~five-year contract~~ with Xiologix to provide ~~support and~~ Fortinet firewall equipment, ~~and~~ software, and 5-year support for a total Not-To-Exceed (NTE) amount of $1,718,555.55 plus shipping costs ~~applicable Washington state taxes~~ per the attached quote.

4.   BACKGROUND INFORMATION

a. **Background –** The Seattle Public Schools (SPS) firewall was upgraded in 2011. A firewall is a network security system that monitors and controls incoming and outgoing network traffic based on predetermined security rules. The changes in technology and the escalation of cyber threats since then are making it harder to protect the district from cyber-attacks and keep our data, staff, and students safe. Upgrading the firewall to a newer next-generation platform will allow us to better protect against malware, virus, and cyber threats that happen every day. The firewall was identified to receive an upgrade/replacement as part of the BTA IV Capital Levy approved in February 2016 and is part of the comprehensive 2019-2023 Technology Plan.

In February 2018, SPS issued a Request for Proposal 02849 (RFP) to secure a new system that meets the future technology needs. The winning bid of $1,718,555.55 from Xiologic, a value-added reseller, includes four Fortinet enterprise class firewalls and annual software and support and cloud services to manage cyber threats for five years. This full amount is within the BTA IV security budget planned to fund this needed upgrade. This firewall is part of a planned upgrade during Summer when schools are out

to minimize disruption and to have technology staff available. The district has also applied for a Universal Service Schools and Libraries Program (E-Rate) discount of up to $272,004.54 which is like a grant that would be applied back to the capital budget if awarded.

b. **Alternatives –** We can decide not to upgrade our firewall. This option would mean outdated hardware will stay in use, resulting in a higher probability of security breaches and threats to staff and students.

c. **Research –** Network Operations held vendor conferences and conducted web research prior to creating the RFP which helped identify what was needed in a new generation firewall.

Gartner, a leading information technology research and advisory firm, rates Fortinet in the top of the Market Leaders in its Magic Quadrant, stating "Surveyed customers have highlighted competitive price for performance as one of the strongest reasons to shortlist the vendor, along with support for multiple features that other leading firewall vendors offer at higher cost."

5. FISCAL IMPACT/REVENUE SOURCE

The fiscal impact to this action will be $1,718,555.55 plus ~~applicable Washington state taxes~~shipping costs from the BTA IV budget that covers all hardware, software, and support for a five-year period. This is under the $2M budgeted for this project.

The revenue source for this motion is Capital Levy Buildings, Technology and Academics (BTA IV) Metropolitan Area Network Modernization and Expansion (Y05310000T).

Expenditure: ☒ One-time ☐ Annual ☐ Multi-Year ☐ N/A

Revenue: ☐ One-time ☐ Annual ☐ Multi-Year ☒ N/A

6. COMMUNITY ENGAGEMENT

With guidance from the District's Community Engagement tool, this action was determined to merit the following tier of community engagement:

☐ Not applicable

☐ Tier 1: Inform

☒ Tier 2: Consult/Involve

☐ Tier 3: Collaborate

Initially, the upgrade was part of engagement for the BTA IV Levy. This proposed upgrade was discussed at the December 17, 2019 Information Technology Advisory Committee (ITAC) meeting with the committee getting the chance to review the report and offer feedback.

Additionally, the committee was able to view a presentation by the district's Information Security Manager, April Mardock who reviewed the RFP process and provided insight into how the current district firewall helps to protect students and staff from threats and the benefits of an updated service. The district's community engagement tool kit was applied to this proposed upgrade with Tier 2: Consult/Inform being the most applicable level of engagement identified.

7.   EQUITY ANALYSIS

Initially the upgrade was part of the Equity Analysis for the BTA IV Levy decision making. The firewall is a central piece of equipment that all internet and intranet traffic has to travel through. Every user has the same route to the internet regardless of what school they are in, yet the firewall treats every user separately to meet their individual needs. Configuration lets staff monitor and adjust bandwidth to meet the needs of staff and students.

8.   STUDENT BENEFIT

Students will have better protection from malware and virus threats along with faster routing, inspection, speed with Quality of Service (QoS) controls. Students will have the access they need for internet and internal resources in a secure environment. Upgrading this summer will provide technicians to have this upgraded solution in place for start of the 2019-2020 school year.

9.   WHY BOARD ACTION IS NECESSARY

☒ Amount of contract initial value or contract amendment exceeds $250,000 (Policy No. 6220)

☐ Amount of grant exceeds $250,000 in a single fiscal year (Policy No. 6114)

☐ Adopting, amending, or repealing a Board policy

☐ Formally accepting the completion of a public works project and closing out the contract

☐ Legal requirement for the School Board to take action on this matter

☐ Board Policy No. _____, [TITLE], provides the Board shall approve this item

☐ Other: _____

10.   POLICY IMPLICATION

Per Policy No. 6220, Procurement, any contract over $250,000 must be brought before the Board for approval.

11.   BOARD COMMITTEE RECOMMENDATION

This motion was discussed at the Operations Committee meeting on February 7, 2019. The Committee reviewed the motion and moved the item forward to the full Board with a recommendation for consideration.

12.   TIMELINE FOR IMPLEMENTATION

Upon approval of this motion, the vendor will start working with the district to plan the upgrade to the district equipment. The project is expected to be completed by the Start of School FY 2019-20.

13.   ATTACHMENTS

- ~~Not Applicable~~Xiologix Quote # :4845-A (for approval)
- Draft Purchase Order (for approval)
- RFP Response Scoring Summary (for reference)

BTA IV: Approve purchase of Fortinet network firewall equipment, software, and five-year support with Xiologix, LLC.

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For questions and more information about this document, please contact the following:

Joseph Valenti
Administrative Assistant, Technology Services
jmvalenti@seattleschools.org

- Xiologix Quote #: 4845-A
- Draft Purchase Order
- RFP Response Scoring Summary

Quote

Number: **4845-A**

Date: 03/20/2018

Bill To:	Ship To:
Seattle Public Schools Dist #1	Seattle Public Schools Dist #1
Attn: Tito Martinez	**Attn:** Tito Martinez
2445 3rd Ave. S. MS 21-350	2445 3rd Ave. S. MS 21-350
Seattle, WA 98134 USA	Seattle, WA 98134 USA
Quote Contact: Carmen Rahm	**Phone:** (206) 252-0000

Sales Rep: Gregory P. Still   **E-Mail:** gstill@Xiologix.com   **Phone:** (503) 691-4364 253

Qty.	Item ID	Description	UOM	Sell	Total
		Fortinet Hardware, Software & Support - 5 Year			
Fortinet Hardware, Software & Support - 5 Year (Internet Side)					
2	FG-3960E	FortiGate FG-3960E 6x 100GE ZQSFP25 slots and 16x 10GE SFP+ slots,2 x GE RJ45 Management Ports,SPU NP6 and CP9 hardware accelerated, 800 GB SSD onboard storage,and 3 AC power supplies	EA	$60,989.01	$121,978.02
2	FC-10-03961-950-02-60	FortiGate FG-3960E - UTM Bundle(24x7 FortiCare plus NGFW,AV,Web Filtering,Botnet IP/Domain and Antispam Services) - 5 Year	EA	$203,906.25	$407,812.50
10	FC-10-03961-123-02-12	FortiGate FG-3960E - FortiGuard FortiSandbox Cloud Service - 1 Year	EA	$14,340.66	$143,406.60
Fortinet (Hardware/Software/Support) Internet Side Total					**$673,197.12**
Fortinet Hardware, Software & Support - 5 Year (Internal Side)					
2	FG-6301F	Fortinet FG-6301F Carrier Class Firewall	EA	$77,252.75	$154,505.50
2	FC-10-6K31F-950-02-60	FortiGate FG-6301F - UTM Bundle(24x7 FortiCare plus NGFW,AV,Web Filtering,Botnet IP/Domain and Antispam Services) - 5 Year	EA	$258,281.11	$516,562.22
10	FC-10-6K31F-123-02-12	FortiGate FG-6301F FortiSandbox Cloud, including Virus Outbreak and Content Disarm & Reconstruct Service - 1 Year	EA	$18,164.84	$181,648.40
Fortinet (Hardware/Software/Support) Internal Side Total					**$852,716.12**
Fortinet Management & Logging Software for Internet and /or Internal Side Solution					
1	FAZ-VM-BASE	Forti-Anaylzer VM Base - Base license for stackable FortiAnalyzer-VM; 1 GB/Day of Logs and 500 GB storage capacity. Unlimited GB/Day when used in collector mode only. Designed for VMware vSphere, Xen, KVM and Hyper-V platforms.	EA	$860.44	$860.44
1	FAZ-VM-GB25	Upgrade license for adding 25 GB/Day of Logs and 10 TB storage capacity.	EA	$2,642.86	$2,642.86
1	FC3-10-LV0VM-149-02-60	Subscription license for the FortiGuard Indicator of Compromise (IOC) (for 1-26 GB/Day of Logs) - 5 year	EA	$3,471.64	$3,471.64
1	FC3-10-LV0VM-248-02-60	FortiAnalyzer-VM Support	EA	$4,099.04	$4,099.04
1	FMG-VM-BASE	FortiManager-Base license for stackable FortiManager-VM. Manages up to 10 Fortinet devices/Administrative Domains 1 GB/Day of Logs and 100 GB storage capacity. Designed for VMware vSphere Xen KVM and Hyper-V platforms.	EA	$812.64	$812.64
1	FC1-10-M3004-248-02-60	Forticare for Manager 5 Year 24x7 FortiCare Contract (1 - 10 devices)	EA	$853.27	$853.27
Fortinet Management & Logging Software Total					**$12,739.89**

XIOLOGIX.COM

Quote

Number: **4845-A**

Date: 03/20/2018

Qty.	Item ID	Description	UOM	Sell	Total
— **Fortinet Training for 3 SPS District Staff**					
3	FT-FGT1	FortiGate Multi-Threat Security Systems I - 2 days (One FCNSA voucher included)	EA	$1,840.66	$5,521.98
3	FT-FGT2	FortiGate Multi-Threat Security Systems II - 3 days (One FCNSP voucher included)	EA	$2,807.69	$8,423.07
3	FT-FAZ	FortiAnalyzer Administration - 1 day Classroom, Virtual Instructor Led, or Self-paced Training	EA	$920.88	$2,762.64
3	FT-FMG	NSE 5/FortiManager Centralized Device Management - 2 day Classroom, Virtual Instructor Led, or Self-paced Training	EA	$1,847.80	$5,543.40
1	XIOMISC	Additional - three (3) days of onsite training from certified manufacturer (Fortinet) engineer - no charge (intended to be used after online training)	EA	$0.00	$0.00
Training Total					**$22,251.09**

Xiologix understands that the ERate terms and conditions supersede Xiologix standard terms and conditions.

Your Price:	**$1,560,904.22**
Sales Tax	$157,651.33
SubTotal:	**$1,718,555.55**
Total:	**$1,718,555.55**

Xiologix understands that the ERate terms and conditions supersede Xiologix standard terms and conditions.

Please complete all information below to ensure the timely delivery of your order:

Preferred Shipping Method: Ground_____ 2nd Day_____ Overnight_____

Date Needed: _____   **Default Shipping: Ground - All shipments subject to availability**

Customer Reference/Purchase Order: _____

Authorized Purchasing Signature: _____   Date: _____

Print Name: _____   Title: _____

Remit To: Xiologix, PO Box 1880, Tualatin, OR 97062

Terms and Conditions:

1. Prices do not include shipping charges. All shipping charges are FOB origin and will be added at time of invoice.
2. Prices do not include tax. All applicable sales taxes will be added at time of invoice.
3. Payment terms are Check, Cash, Visa, MasterCard, American Express or COD. (Additional transaction fees may apply when paying by credit card.)
**Net 30 day terms are available with approved credit. Xiologix Standard Terms & Conditions apply to this and all quotations.
4. All quotes and proposals are calculated using US Dollars.
5. Quotes are valid until the date above (Prices are firm until). Xiologix reserves the right to adjust prices at any time according to manufacturer price changes. In the event that the expiration date has been exceeded, please contact your Account Representative for an updated quote.

Seattle School District No. 1
Purchasing Services
Mail Stop 23-376
PO Box 34165
Seattle, WA 98124-1165

Purchase Order	
P.O. Number	8200004271
P.O. Date	03/06/2019
Ship Via	Surface, Prepay & Add
Deliver By	03/26/2019
Contact	Anja Markovic
Ph: 206 252-0713	Fax: 206-252-0505
Email: almarkovic@seattleschools.org	

Vendor
XIOLOGIX LLC 8215 TUALATIN-SHERWOOD RD #200 TUALATIN, OR 97062 Fax: 503-612-9260   Tel: 503-691-4364

Deliver Items To:
Seattle School District No. 1 **Central Warehouse** 2445 3rd Avenue South Seattle WA 98134-1165 P.O. Number: 8200004271

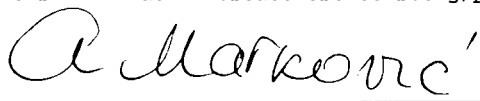| Send Invoice To: |
|---|
| **Seattle School District No 1.**
Accounts Payable
Mail Stop 33-343
PO Box 34165
Seattle, WA 98124-1165
Email:accountspayable@seattleschools.org |

Item	Material/Description	Quantity	UM	Unit Price	Total
	Terms: Net 30 days, Currency USD				
	By accepting this purchase order/contract, the above named firm certified that they are not currently debarred from participating on any federal, state or similarly funded transaction.				
	RE: RFP 02849				
00010	Fortinet Firewall Equip/Software/Support	1	LOT	1,560,904.22	1,560,904.22
	Total net value excl. tax:				1,560,904.22
	Wash.St.Sales Tax:				157,651.33
	Freight:				0.00
	Total:				1,718,555.55

DRAFT

Purchase order number must appear on all invoices, shipping labels, packing lists and correspondence.

This purchase order is subject to Seattle School District No. 1 standard terms and conditions.
These can be referenced by clicking on the "Terms and Conditions" link at www.seattleschools.org/procurement

AUTHORIZED SIGNATURE _____
(Buyer)

Firewall RFP Bid Summary

	References	Technical Features and Requirements	Total Qualification Points		Price of Services	TOTAL Price Points		TOTAL Points
				Price Points			**Total Points**	
VENDOR	10	40	50			50		100
BorderLan	8	40	48		$ 1,579,140.00	34.7		
	8	40	48					83
	8	40	48					
			48.0					
Cascade	8	40	48		$ 1,814,232.38	30.2		
	8	40	48					78
	8	40	48					
			48.0					
Ednetics	10	16	26		$ 1,097,189.80	50.0		
	10	16	26					76
	10	16	26					
			26.0					
FSI	10	40	50		$ 1,651,136.00	33.2		
	10	40	50					83
	8	40	48					
			49.3					
Xiologix	10	40	50		$ 1,573,644.11	34.9		
	10	40	50					85
	10	40	50					
			50.0					